ARIZONA CORPORATION COMMISSION UTILITIES DIVISION RECEIVED

MAR 29 2004

AZ CORPORATION COMMISSIO:

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS DECESSION COMMISSIO:

DIRECTOR OF UTILITIES

W-02205A Gadsden Water Company, Inc P. O. Box 519 Somerton AZ 85350

ANNUAL REPORT

FOR YEAR ENDING

12 31 2003

FOR COMMISSION USE

Ann04 03

COMPANY INFORMATION

Mailing Address	
Somerton Arizona 85350	
(928) 344-4222 (928) 726-3999 (928) 376-8038 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code) Email Address LGDEERE@EARTHLINK.NET Local Office Mailing Address P.O. Box 519	
Telephone No. (Include Area Code) Email Address LGDEERE@EARTHLINK.NET Local Office Mailing Address P.O. Box 519	
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code) Email Address LGDEERE@EARTHLINK.NET Local Office Mailing Address P.O. Box 519	
Local Office Mailing Address P.O. Box 519	e)
Local Office Mailing Address	
(Street)	
Somerton Arizona 85350	
(City) (State) (Zip)	
(928) 344-4222 (928) 726-3999 (928) 376-8038	
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area	Code)
Email AddressLGDEERE@EARTHLINK.NET	

MANAGEMENT INFORMATION

Management Contact:	Jimmy A. Deere	<u> </u>	resident
	(Name)		(Title)
14781 S Avenue B	Yuma	Arizona	85364
(Street)	(City)	(State)	(Zip)
(928) 344-4222	(928) 726-3999	(9	28) 376-8038
Telephone No. (Include Area Code)	Fax No. (Include Area C	ode) Pager/Cell N	o. (Include Area Code)
Email Address LGDEERE	EARTHLINK.NET		
On Site Manager:	A. Deere		
	(Name)		
14781 S. Avenue B	Yuma	Arizona	85364
(Street)	(City)	(State)	(Zip)
(928) 344-4222	(928) 726-3999		28) 376-80 <u>38</u>
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No	. (Include Area Code)
Email Address LGDEERE@EART	PHLINK.NET		

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Jimmy A.			
• •	(Name)		
14781 S. Avenue B (Street)	Yuma (City)	Arizona (State)	85364 (Zip)
(928) 344-4222	(928) 726-3999	(928) 3	376-8038
Telephone No. (Include Area Code)	Fax No. (Include Area Code		Include Area Code)
Attorney: None			
	(Name)		
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (In	nclude Area Code)
☐ Please mark this box if the a filing.	above address(es) have chang	ged or are update	ed since the last
<u>0</u>	WNERSHIP INFORMATION	<u>ON</u>	
Check the following box that applies	to your company:		
Sole Proprietor (S)	C Corporation (C) (Other than Ass	ociation/Co-op)
Partnership (P)	X Subchapter S Co	orporation (Z)	
Bankruptcy (B)	Association/Co o	op (A)	
Receivership (R)	Limited Liability	y Company	
Other (Describe)			
	COUNTIES SERVED		
Check the box below for the county/ie	es in which you are certificated to p	rovide service:	
□ АРАСНЕ	☐ COCHISE		ONINO
☐ GILA	☐ GRAHAM	☐ GREE	ENLEE
☐ LA PAZ	☐ MARICOPA	□ мон	AVE
☐ NAVAJO	☐ PIMA	☐ PINA	L
☐ SANTA CRUZ	☐ YAVAPAI	X YUM	A
☐ STATEWIDE			

UTILITY PLANT IN SERVICE

Acct.		Original	Accumulated	O.C.L.D.
No.	DESCRIPTION	Cost (OC)	Depreciation (AD)	(OC less AD)
301	Organization	1,221	1,221	Ø
302	Franchises			
303	Land and Land Rights	3,500	Ø	3,500
304	Structures and Improvements	971	970	1
307	Wells and Springs	12,754	9,877	2,877
311	Pumping Equipment	4,593	96	4,497
320	Water Treatment Equipment	3,749	2,990	759
330	Distribution Reservoirs and Standpipes	12,514	4,290	8,224
331	Transmission and Distribution Mains	9,373	9,357	16
333	Services			
334	Meters and Meter Installations	4,329	2,752	1,577
335	Hydrants	639	187	452
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	10,035	3,339	6,696
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	574	427	147
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	64,252	35,506	28,746

This amount goes on the Balance Sheet Acct. No. 108 -

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct.		Original	Depreciation	Depreciation
No.	DESCRIPTION	Cost (1)	Percentage (2)	Expense (1x2) **
301	Organization	1,221	20%	ø
302	Franchises			
303	Land and Land Rights	3,500	N/A	Ø
304	Structures and Improvements	971	5%	Ø
307	Wells and Springs	12,754	5%	638
311	Pumping Equipment	4,593	5%	162
320	Water Treatment Equipment	3,749	5%	101
330	Distribution Reservoirs and Standpipes	12,514	5%	596
331	Transmission and Distribution Mains	9,373	5%	Ø
333	Services			
334	Meters and Meter Installations	4,329	5%	193
335	Hydrants	639	5%	32
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	10,035	5%	502
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	574	5%	32
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	64,252		2,256

This amount goes on Comparative Statement of Income and Expense _ Acct. No. 403.

^{**} This amount differs from calculation due to fully depreciated assets and assets acquired or disposed of in the current year.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF	BALANCE AT END OF
	ASSETS	YEAR	YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 12,921	\$ 11,833
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 12,921	\$ 11,833
	FIXED ASSETS		
101	Utility Plant in Service	\$ 61,927	\$ 64,252
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	<35,441>	<35 , 506>
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 26,486	\$ 28,746
	TOTAL ASSETS	\$ 39,407	\$ 40,579

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF	BALANCE AT END OF
	LIABILITIES	YEAR	YEAR
	CURRENT LIABILITES		
231		\$	\$
$\frac{231}{232}$	Accounts Payable Notes Payable (Current Portion)		Ψ
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	0.5.4	244
237	Accrued Interest	264	241
241	Miscellaneous Current and Accrued Liabilities	25 056	22 401
271	TOTAL CURRENT LIABILITIES	25,856	33,491 \$33,732
	TOTAL CURRENT LIABILITIES	\$26,120	Ψ33,/32
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$26,120	\$33,732
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$50,000	\$50,000
211	Paid in Capital in Excess of Par Value Treasury Stock	<42,373>	<42,373>
215	Retained Earnings	5,660	< 780>
218	Proprietary Capital (Sole Props and Partnerships)	5,000	700/
	TOTAL CAPITAL	\$13,287	\$ 6,847
	TOTAL LIABILITIES AND CAPITAL	\$39,407	\$40,579

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 41,017	\$ 39,925
460	Unmetered Water Revenue		
474	Other Water Revenues	3,971	5,405
	TOTAL REVENUES	\$ 44,988	\$ 45,330
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	4,145	5,954
618	Chemicals	•	
620	Repairs and Maintenance	3,067	1 , 187
621	Office Supplies and Expense	2,368	1,122
630	Outside Services	21,095 1,006	21,850 1,579
635	Water Testing	1,006	1,579
641	Rents		
650	Transportation Expenses	8,838	8,374 1,439
657	Insurance – General Liability	1,281	1,439
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	2,315	2,093
403	Depreciation Expense	2,158 2,831	2,256 2,754
408	Taxes Other Than Income	2,831	2,754
408.11	Property Taxes	3,017	3,085
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 52,121	\$ 51 , 693
	OPERATING INCOME/(LOSS)	\$ <7,133>	\$ <6,363>
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		<77>
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$ <77>
	NET INCOME/(LOSS)	\$ <7,133>	\$ <6,440>

COMPANY NAME Gadsden Water Company, Inc.

SUPPLEMENTAL FINANCIAL DATA Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A	N/A	N/A	N/A
Source of Loan	N/A	N/A	N/A	N/A
ACC Decision No.	N/A	N/A	N/A	N/A
Reason for Loan	N/A	N/A	N/A	N/A
Dollar Amount Issued	\$ ø	\$ ø	\$ ø	\$ ø
Amount Outstanding	\$ Ø	\$ Ø	\$ Ø	\$ Ø
Date of Maturity	N/A	N/A	N/A	N/A
Interest Rate	N/A	N/A	N/A	N/A
Current Year Interest	\$ Ø	\$ Ø	\$ Ø	\$ Ø
Current Year Principle	\$ ø	\$ ø	\$ ø	\$ ø

Meter Deposit Balance at Test Year End	\$ Ø	
Meter Deposits Refunded During the Test Year	\$ ø	

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
14-037	10	300	180	8	2 x 2	1984

Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	1	1	
7 1/2	1		
10	1		

STORAGE T	ANKS	PRESSUR	E TANKS
Capacity	Quantity	Capacity	Quantity
50,000	1	2,000	1

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	CL150	6,949 LF
8	CL150	6,403 LF
10	CL150	1,173 LF
12		•
		ĺ

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ³ / ₄	186
3/4	
1	
1 1/2	1
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT: Sentry I Chlorinator			
	,		
STRUCTURES:			
8' x 12' Storage shed	 		
8' x 10' Control shed			
	 ······································		
OTHER:			
OTHER.			
	 	-	
	····		

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	187	1,994,630	2,178
FEBRUARY	188	2,400,240	2,581
MARCH	189	1,450,699	1,633
APRIL	189	1,757,608	1,939
MAY	188	2,097,181	2,278
JUNE	188	1,968,332	2,145
JULY	188	2,082,429	2,259
AUGUST	189	1,991,851	2,196
SEPTEMBER	189	2,223,936	2,475
OCTOBER	189	2,620,520	2,806
NOVEMBER	189	1,766,870	1,957
DECEMBER	189	1,487,117	1,668
	TOTAL	N/A	26,115

Is the Water Utilit	ocated in an ADWR Active Management Area (AMA)?	
() Yes	(X) No	
Does the Compan	have An ADWR Gallons Per Capita Per Day (GPCPD) requiren	nent?
() Yes	(x) No	
If yes, provide the	PCPD amount:	
What is the level of (If more than one well, plea	arsenic for each well on your systemmg/l list each separately)	

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Gadsden Water Company, Inc.	YEAR ENDING 12/31/2003				
PROPERTY TAXES					
Amount of actual property taxes paid during Calendar Year 2003	Amount of actual property taxes paid during Calendar Year 2003 was: \$3,085				
Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.					
If no property taxes paid, explain why					

COMPANY NAME Gadsden Water Company, Inc. YEAR ENDING 12/31/2003

INCOME TAXES

For this reporting period, provide the following:	
Federal Taxable Income Reported	< 8,925 >
Estimated or Actual Federal Tax Liability	N/A
State Taxable Income Reported	< 8,925 >
Estimated or Actual State Tax Liability	N/A
Amount of Grossed-Up Contributions/Advances:	
Amount of Contributions/Advances	9
Amount of Gross-Up Tax Collected	Ø
Total Grossed-Up Contributions/Advances	Ø

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Cha A Cae	3/25/04
SIGNATURE	DATE'
Jimmy A. Deere	President
PRINTED NAME	TITLE

VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE

RECEIVED

VERIFICATION

INTRASTATE REVENUES ONLY

MAR 29 2004

		AZ CORPORATION COMMISSIO
STATE OF ARIZONA	(COUNTY NAME) Yuma	DIRECTOR OF UTILITIES
I, THE UNDERSIGNED	NAME (OWNER OR OFFICIAL) Jimmy A. Deere	President
OF THE	company name Gadsden Water Company, Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH DAY YEAR 12 31 2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES	(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 2,486	
\$ 37,247	IN SALES TAXES BILLED, OR COLLECTED	

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

SIGNATURE OF OWNER OF OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

2.5TH

DAY OF

NOTARY PUBLIC NAME
ROSA NEGRETE

COUNTY NAME
YUMA

MONTH MARCH
. 20 04



X Rosa Megula
SIGNATURE OF NOTARY PUBLIC

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

RECEIVED

MAR 29 2004

VERIFICATION	Intrastate Revenues Only	AZ CORPORATION COMMISSIO	
STATE OF Arizona	COUNTY OF (COUNTY NAME) YUITIA	DIRECTOR OF UTILITIES	
I, THE UNDERSIGNED	NAME (OWNER OR OFFICIAL) TITLE Jimmy A. Deere, President		
•	COMPANY NAME		
OF THE	Gadsden Water Company, Inc.		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPRORATION COMMISSION

FOR THE YEAR ENDING

MONTH DAY YEAR
12 31 2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

	Arizona IntraState Gross Operating Revenues Only (\$)						
	s <u>45,330</u>						
1							

(THE AMOUNT IN BOX ABOVE INCLUDES \$\frac{2}{845}\$ IN SALES TAXES BILLED, OR COLLECTED

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

25774

DAY OF

SIGNATURE OF OWNER OR OFFICIAL

928-726-0148

TELEPHONE NUMBER

COUNTY NAME YUMA

NTH MARCH

20 04

SIGNATURE OF NOTARY POSITIO

му сом

YUMA COUNTY
My Comm. Expires Cict. 26, 2007

OFFICIAL SEAL

ROSA NEGRETE

WE TENTE AZ 10312003 8-7550-1821

1st 1/2 2003 Property Tax Yuma, Az. 85364 410 Maiden Lane Suite C KAREN FRITZ COUNTY TREASURER GADSDEN WATER COMPANY P.O. BOX 519 SOMERTON, AZ 85350 KAREN FRITZ COUNTY TREASURER

900-110-0810

PAY TO THE ORDER OF __

WELLS FARGO BANK ARIZONA, NA 790 W CATALINA DR YUMA, AZ 85364 91-527/1221

10/29/2003

1165

\$ **1,409.63

_ DOLLARS 🗗

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MEMO_

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PAY THE BOTTES OF BANK ONE, A TIZCULA, NA

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FOR JEPTONE ONE YUMA COUNTY TREASURER

PAN ONE, NA 1030003 1030003

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1221-0527-8
1221-0527-8

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SAME OF A TIZONA, NA

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TENSORER TENSORER

	MEMO ppty tax	Yu,	Yuma C	One Thousand Fir	PAY TO THE Yum	ionabla
"00 1 10E"		Yuma, Az 85364	Yuma County Treasurer ##D FANNEN LN STEC	ve Hundred Eighty-One an	Yuma County Treasurer	107420(9,010-23232) GABSDEN WATER COMPANY P.O. BOX 519 SOMERTON, AZ 85350
#4. 1 E T O S B O T S B B B B B B B B B B B B B B B B B B				One Thousand Five Hundred Eighty-One and 16/100**********************************		
3 1 711						WELLS FARGO BANK ARIZONA, NA 790 W CATALINA DR YUMA, AZ 85364 91-527/1221
,'0000158116,'	R.			DOLLARS A	\$ **1,581.16	1106